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SUBJECT: VIETNAM'S NATIONAL ASSEMBLY APPROVES NEW GOVERNMENT,
INDIRECTLY CRITICIZES PARTY'S ROLE IN SOCIETY

REF: A) HANOI 1580; B) HANOI 1090

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¶1. (SBU) Summary and Comment: During an unusually long summer session convened May 16-June 29 to approve the new government selected by the Communist Party of Vietnam's (CPV) 10th Party Congress, Vietnam's National Assembly (NA) also debated ten laws and approved three resolutions (debate on the laws reported septel). In an unprecedented development, the CPV's nominees for the three top leadership positions (below Party Secretary) made brief presentations to the NA before their candidacies were voted on. NA displeasure over the GVN's non-reaction to recent corruption scandals was clearly evident in low votes returned on several CPV candidates tainted by the scandals and in a rancorous question and answer session with Government ministers. Several ranking Cabinet members cited Party policy as justification for the GVN's non-investigation of some figures, which provided an opening for some deputies to discuss the CPV's actual place in Vietnam's society, an issue that was raised indirectly in several other deputies' comments. This session underscores that the Assembly has had some success in carving out space for itself as a real organ of government, at least in asserting its right to discuss even the most sensitive aspects of the country's political life. End Summary and Comment.

New Government Reaffirms GVN Policy to Continue Reform

¶2. (SBU) Foremost in the agenda of the latest session of the NA, an unusual summer session called immediately after the conclusion of the 10th Party Congress, was the "election" of the CPV's nominees for State President, Prime Minister and National Assembly Chairman, and approval of nine cabinet members, including two deputy prime ministers, six ministers and the General State Auditor (REF A). As in past years, there was only one candidate for each office, despite vocal requests from many delegates for multiple candidates per position. Despite the lack of competition, the two new deputy prime minister candidates were approved by unusually low majorities of only 58 per cent, Nguyen Sinh Hung, and 66 per cent, Trung Dinh Trong, respectively (REF A). Nguyen Sy Dzong, a vice chairman in the Office of the National Assembly (ONA), commented that the low vote counts indicate that delegates have "become more difficult to deal with" when it comes to approving the CPV's vetted candidates. This can be seen as "a sign of improved democracy in terms of the National Assembly's activities," he said. Nguyen Chi Dzong, a senior ONA staffer and former Editor-in-Chief of the ONA-affiliated Legislative Journal, said that the low vote counts, as well as the deputies' public request for more candidates to be considered for ranking State and GVN positions, manifestly reflect the NA deputies' distrust of some new cabinet members, and underscores their "quest for more democracy" in the system of nominating and approval of GVN ranking personnel.

13. (SBU) A new feature in the "election process" during this post-Congress session were speeches made before the National Assembly by the three candidates for the offices of State President, Prime Minister and National Assembly Chairman prior to their actual election. These addresses, though still far removed from campaign speeches, "aimed to provide delegates with more information about the candidates before the election took place," according to Vice Chairman Dzung. He also revealed that the National Assembly Standing Committee (NASC), in effect the steering committee for the NA, initially wanted to require all 13 CPV candidates to present themselves to the Assembly before votes on their candidacy, but had to moderate this plan when the CPV Politburo decided that it did not want to set the precedent that Party-nominated candidates may be scrutinized by NA deputies. Nevertheless, the CPV felt it necessary to make some allowance for the examination of candidates in the face of the deputies' continued insistence, thus the compromise of the three speeches. One of our contacts noted with pleasure that this gesture placed the three top GVN leaders on a level with common NA deputies for the very first time, but admitted that the CPV Party Secretary (who is theoretically at the apex of power in Vietnam) is

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still above any NA or even GVN scrutiny.

14. (SBU) In an interview with local newspapers, Vice Chairman Dzung affirmed that the three new leaders are all supportive of the renovation (Doi Moi) process. He expressed hope that new State President Nguyen Minh Triet, a leader who spent many years leading provincial and municipal administrations, would be able to do more to speed up judicial reform for the sake of common people. In the interview, he also noted that new Prime Minister Nguyen Tan Dung "meets the necessary criteria to deal with national economic issues." He hinted, however, that Dzung might be different from former PM Phan Van Khai, noting that Dzung has "contributed much to the promotion of economic reform and yet is still loyal to Marxist-Leninism." In an private conversation with Pol Assistant, Vice Chairman Dzung explained that PM Dzung tends to be more open to new ideas and concepts, because of his poor education. However,

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owing to his "tolerant background," PM Dzung "is supposed to be not firm with his ideas, and thus overly subject to the influence of those around him", he commented. For his part, Ngo Cuong, Editor-in-Chief of the Supreme People's Court Judicial Journal, informed Pol Assistant that PM Dzung's police background would likely make him focus more on security-related issues rather than economic ones.

15. (SBU) According to Assembly staffer Chi Dzung, although PM Dzung was the standing Deputy Prime Minister in the previous government, he has never been seen as a decisive leader. Chi Dzung theorized that the low vote counts for some of the new Cabinet members reflected the level of trust in PM Dzung himself among deputies, which may account for the fact that almost half the NA Deputies did not vote with the PM on a vote tied to the PMU-18 scandal (REF B) on his first day in office. Only 56.8 percent of delegates voted to approve a combined resolution to discharge eight cabinet members tainted by the scandal, but which let disgraced Transportation Minister Dao Dinh Binh retire without punishment despite his Ministry's central role in the affair. During the debate, PM Dzung claimed that the GVN has developed a consensus approach to resolving the scandal, but deputies were incensed that he failed to confirm whether the GVN has actually conducted any formal meetings to investigate the case or to issue a formal conclusion, Chi Dzung asserted. (Note: In early June, the Prime Minister issued a formal reprimand against Binh, blaming his "lack of responsibility" as the cause of the mismanagement of ODA projects. End Note.)

Grilled Cabinet Members Turn to Party for Help

16. (SBU) The PMU-18 corruption scandal, in addition to other significant corruption-related issues, was also high on the deputies' hit list during the summer session's televised question-and-answer session, a traditional give-and-take between NA

deputies and State ministers that has featured increasingly acrimonious and un-scripted exchanges in recent years. In response to one question, Nguyen Hong Phuc, the Minister of Planning and Investment, who has been retained from the previous government, hinted that the scandal may continue to implicate other government figures as his Ministry is not the only agency responsible for ODA allocation, and that "we have no idea how much ODA has been (illegally) siphoned off and by whom." Challenged on the same subject, Nguyen Sinh Hung, the former Minister of Finance who has been roundly criticized for his handling of the scandal, responded obtusely that "the situation might have been different if we had strictly dealt with the issue of public property usage." (Note: Hung was ultimately promoted to Deputy Prime Minister at the end of the NA session as planned by the CPV, but was the recipient of the 58 percent majority noted above, the lowest affirmation vote in communist Vietnam's history. End Note.)

17. (SBU) In another unusual development, Cabinet members who were grilled by delegates during the Q-and-A session over their failure to take action against subordinates with respect to misconduct or poor performance used the CPV as justification, citing Party and GVN regulations. Both Minister-Chairman of the Office of the Government (OOG) Doan Manh Giao and Politburo member-Minister of Public Security (MPS) Le Hong Anh quoted Party and GVN internal policies to rationalize their actions in the case of OOG Vice Chairman Nguyen Van Lam, who received more than USD 10,000 in kickbacks from various government offices in the south following a business trip there. (Note: The incident actually took place in 2002, but was recently publicized by the Vietnamese press. Despite public pressure that a formal investigation be conducted in this matter, Lam was only asked to forward part of the bribe money to a fund for the poor and to return the remainder to the originating offices. End Note). Anh said the MPS did not conduct further investigations against Lam because "the OOG did not request it" and cited a formal document issued by the Party's Control Commission regarding the case. "The MPS will not deal with the case unless the OOG has conducted their own investigation, determined that it is a corruption case and requested us to work on it," Anh told deputies.

18. (SBU) Questioned about another well-publicized case, Anh defended MPS's decision not to prosecute ranking officials from PetroVietnam who were allegedly involved in corruption in a multi-billion dollar Russian investment deal. He told delegates that "the investigative office has the right not to initiate formal investigations against them" despite laws to the contrary. But, according to Anh, "law provisions are not good enough regarding specific cases, so we need to exercise 'flexibility,' not to mention follow certain Party, State and Government regulations when dealing with (ranking) officials."

19. (SBU) According to both Sy Dzung and Chi Dzung, Anh's "frank responses" prompted noisy disagreement from NA deputies. Delegate Nguyen Minh Nhi, a former Secretary of An Giang Province's Party

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Committee, argued that since most Cabinet members are also members to the Party's Central Committee, they should be able to propose any necessary changes to CPV or GVN regulations so as to ensure strict implementation of laws and regulations. For his part, outgoing NA Chairman Nguyen Van An bluntly advised Anh not to mention "the Party's internal issues" in front of the National Assembly, noting that CPV policies should not be considered a higher source of authority than government laws as "the Party's 'guidelines' are enacted and ultimately the source of those laws." An added that the conduct of investigative offices "should follow the law."

COMMENT

10. (SBU) This latest NA session underscores that deputies have had some success in carving out space for the NA as a real organ of government, at least in asserting the deputies' right to discuss even the most sensitive aspects of the country's political life. We should not expect, however that this new outspokenness will translate into real power for the NA any time soon. Nonetheless, it

is interesting to note that the question of the CPV's position in Vietnam's society and, by extension, questions about the monopoly of power by State ministries, seems to be the root of most of the political issues debated in this session. This is a popular development that will likely continue despite inevitable CPV and GVN attempts to rein in the NA in the coming term of government.

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